BRITISH COLUMBIA

BC STATS Infoline

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highlights

a weekly digest of recently released British Columbia statistics

Median Income

- **Residents of Oshawa ($25,900) and Ottawa-Hull ($25,200) continued to have the highest median incomes in the country in 1998.** In the rest of the country, median incomes ranged from a low of $17,100 in Trois-Rivieres to $24,200 in Windsor. The Canadian median was $20,100. Victoria's median income was among the highest in the country, at $23,400. However, Vancouver did not fare as well. The median in that city was just $20,700, lower than in any other metropolitan area west of Quebec. The median income is the level at which half of all individuals have a higher, and half have a lower, income. *Source: Statistics Canada*

Housing

- **The cost of new housing in BC's two biggest cities continued to fall in June.** Builders in Victoria faced the biggest drop in prices (-5.1%) relative to June of 1999. In Vancouver, new house prices were down 1.0% from a year earlier. The housing market remained weak in the Sudbury/Thunder Bay area (-1.2%) and prices fell 0.2% in St. John/Moncton/Fredericton. New house prices increased in all other metropolitan areas, with the biggest gains seen in St. Catherines-Niagara (+5.7%) and Ottawa-Hull (+5.5%). Nationally, new house prices were up 2.4% from June 1999. *Source: Statistics Canada*

- **Housing starts in British Columbia were down again in July (-2.8%, seasonally adjusted).** The drop in starts was the third in as many months. In contrast, Canadian starts soared (+22.6%) as housing construction picked up speed in both Ontario (+39.3%) and Quebec (+28.3%). Starts in Ontario had been depressed by a 2-month-long work stoppage in the Toronto area. Elsewhere in Canada, starts rose in all but one of the Atlantic provinces, but declined 2.3% in the Prairies. *Source: CMHC, Housing Facts*

- **Homeowner renovation expenditures in BC are forecast to remain flat during 2000 and 2001, as a slow economy and higher mortgage financing costs limit spending increases.** Total renovation expenditures are expected to remain at $3.4 billion this year, edging up to $3.5 billion in 2001. In the rest of Canada, an upward trend in renovation spending is expected to continue. Canadians spent an estimated $24.9 billion fixing up their homes last year. This is forecast to rise 4.2% (to $25.9 billion) in 2000 and another 4.6% (to $27.1 billion) in 2001. Among the provinces, Ontario and Alberta are expected to see the strongest growth, averaging between 6% and 7% per year. *Source: CMHC, Housing Facts*

- **More than half of all BC homeowners are mortgage-free.** According to a recent survey, just 45% of homeowners in BC owe money on their homes, less than in any other province. However, BC residents with mortgages owe more than other Canadians do, reflecting the fact that the province has the most expensive housing in the country. The average mortgage in British Columbia is for $106,000, with mortgage costs taking a 25% bite out of the disposable income of BC homeowners. Ontario (23%) is the only other province where mortgage costs typically account for more than a fifth of a homeowner's take-home pay. In the rest of Canada, mortgage costs average between 18% and 20% of disposable income. Forty-eight percent of Canadian homeowners have a mortgage. They owe an average of $77,000. Newfoundland (66%) is the province with the highest percentage of mortgagees. *Source: CMHC, Housing Facts*

Report **BC shipping smaller portion of forestry exports**

Did you know...
One in three existing home sales in Canada are closed without the involvement of a real estate board. In BC, the share is just 15%. BC is the only province where these sales account for less than a quarter of the total real estate market.

E-commerce

- **One out of ten Canadian companies used the Internet to sell goods and services in 1999.** These sales amounted to 0.2% of total revenues, reaching $4.4 billion. Almost all of this revenue ($4.2 billion) was generated by the private sector. Internet sales represented the biggest share of total revenues in the accommodation and food services industry, where 1.3% of revenues were attributed to this medium. Other sectors with a greater than average dependence on the Internet include information and cultural industries (1.0%) and professional, scientific and technical services (0.8%). In all other sectors, internet sales accounted for no more than 0.3% of total revenues. *Source: Statistics Canada*

- **Eight in ten (82%) private sector enterprises use personal computers, 53% use email, and 53% depend to some degree on the Internet.** Computers and, to a lesser degree, email and the Internet, are almost universal in the professional, scientific and technical services (94%), private sector education (94%), and information and cultural services (94%) industries. Forestry and logging (66%) and accommodation and food services (66%) are the industries where computers are least commonly used. In the public sector (education, health and public administration), all enterprises use personal computers, nearly all (97%) make use of email, and 95% use the Internet as a business tool. Two out of ten private sector businesses, and seven in ten public sector establishments, had a web site in 1999.
Source: Statistics Canada

Government Debt

- **The combined net debt of federal, provincial and local governments in the country represented 94% of Canada's GDP in 1998.** Twenty years earlier, the debt-to-GDP ratio was 33%. It climbed steadily from 1978 to 1996, when it peaked at 103%. Since then, the ratio has been falling, largely because the federal government's debt has not grown as fast as GDP.

  Provincial and territorial governments account for nearly a third (29%) of total government debt. The bulk (69%) of the debt is owed by the federal government, with another 2% owed by local governments. *Source: SC, Public Institutions Division*

- **On a per capita basis, the net debt of provincial and territorial general governments in Canada averaged $8,495 per person in 1999.** BC's net debt per person was $3,776, lower than in any other region except NWT ($897), Alberta ($133) and Yukon, where the per capita surplus was $7,933. Newfoundland ($15,037) and Quebec ($12,420) had the highest per capita debt in the country. Nationwide, per capita provincial/territorial net debt more than doubled during the 1990s, increasing from $4,062 to $8,495. In BC, it went from $190 in 1990 to $3,776 last year. Alberta was the only province where per capita debt declined (from $1,386 to $133).
Source: SC, Public Institutions Division

Note: These figures come from Statistics Canada's Financial Management System (FMS). They differ from Public Accounts data in that general government is more broadly defined and includes government agencies such as the WCB. The figures have also been adjusted to comply with FMS accounting conventions. FMS data are a better basis for inter-jurisdictional comparisons than the Public Accounts, due to differences in the accounting systems used by the provinces and territories.

University Faculty

- **British Columbia universities employed 3,217 full-time faculty members in 1998/99.** This was slightly less (-2.3%) than in the previous year, when there were 3,293 full-time faculty in the province. Nationally, there were 33,665 full-time faculty members at Canadian universities in 1998/99. Three out of four (24,861) faculty members at Canadian universities in 1998/99 were male. The proportion of faculty members who are women is growing. In the early 1990s, women made up just a fifth of the teaching staff at universities; by the end of the decade, one in four faculty members were female. Salaries for university teachers ranged from an average of $90,464 for full professors, to $71,943 for associate professors and $57,523 for those working at other levels. *Source: Statistics Canada*

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For data originating from Statistics Canada: data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the publication name or catalogue number.

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Infoline Report: British Columbia shipping smaller portion of of Canadian forestry exports

Contact: George Dufour / (250) 387-0376

Originally published in April 2000 issue, *Exports*. Annual subscription: $60 + GST

British Columbia continues to be Canada's premier wood exporting province. But that could change if trends of the 1990s continue through the present decade. The province's share of total Canadian forest product exports, including solid wood products as well as pulp and paper, was whittled down from an imposing 41 per cent of the Canadian total in 1990, to 33 per cent in 1999.

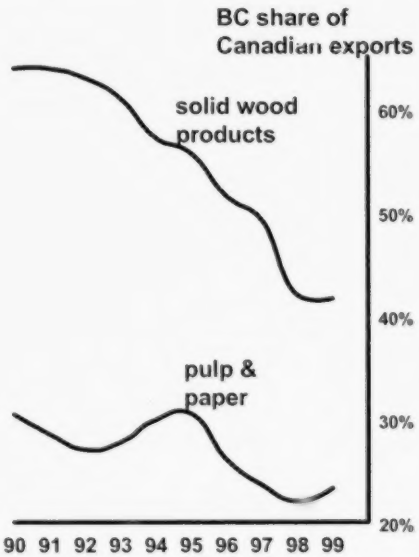
This has not occurred because the value of British Columbia wood product exports has shrunk over the years. During the 1990s, solid wood exports from British Columbia grew at an average annual compound growth rate of 9 per cent, 3 percentage points faster than the growth rate for all British Columbia products. Pulp and paper exports grew less quickly, but still increased at an average annual compound growth rate of 2 per cent.

However, exports in both the solid wood and pulp and paper categories grew more quickly elsewhere in Canada. In every other province, average annual compound export growth rates for total forest products exceeded export growth rates in British Columbia by a wide margin.

A Somewhat Less Dominant Role in Canadian Solid Wood Exports

British Columbia's lumber exports were held back to some extent by the restrictions of the Canada–U.S.A. Softwood Lumber Agreement. This Agreement set quotas on the volume of wood that could be shipped penalty-free to the United States market from British Columbia, Alberta, Ontario and Quebec. Shipments from other provinces have not been constrained.

Shrinking BC Shares of Canadian Forest Product Exports



Not surprisingly, lumber exports to the United States from those provinces not covered by the Agreement have grown faster than exports from provinces that are bound by the Agreement. For example, British Columbia's 12 per cent compound average annual export growth for lumber shipped to the United States compared to growth rates of 28 per cent for New Brunswick and 34 per cent for Saskatchewan.

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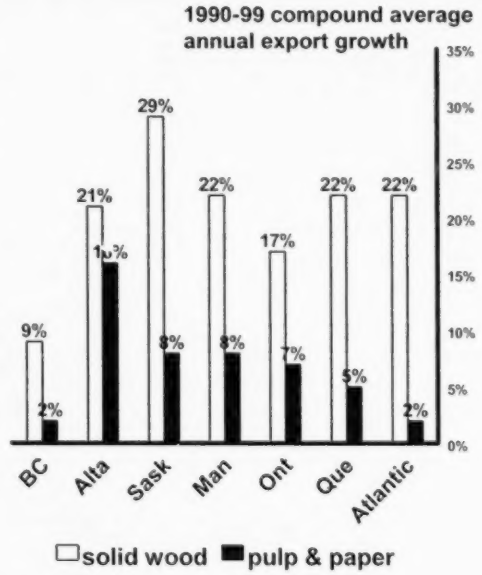
But the Softwood Lumber Agreement does not entirely account for the relatively slow growth of solid wood exports from British Columbia. Alberta, Ontario and Quebec (the other provinces whose lumber exports to the United States are also restricted by the Agreement) have all increased their solid wood exports at much faster rates than British Columbia. Average annual compound growth rates for exports to the United States of solid wood products from these provinces were 22 per cent, 19 per cent and 24 per cent respectively, between 1990 and 1999.

At least part of the reason these provinces achieved higher growth rates was because their solid wood exports include a different mix of products. While British Columbia's solid wood exports continue to be concentrated heavily in lumber, solid wood exports from other provinces have changed to include higher proportions of value added products.

BC Forest Product Exports Grow At Slowest Pace In Canada



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This is particularly true for exports to the United States. Alberta's 1999 solid wood exports to the United States included 23 per cent in value added categories; Ontario's included 44 per cent; and Quebec's included 37 per cent. The ratio for British Columbia was 14 per cent.

Value added wood exports to the United States (generally those that are 'remanufactured' from raw lumber) are not limited by the Canada–U.S.A. Softwood Lumber Agreement.

Between 1990 and 1999, total British Columbia value added wood exports to the United States increased at an average annual compound rate of 18 per cent – faster than the 12 per cent growth for exports of lumber, but slower than the rates of growth for value added wood exports from other provinces. Value added wood exports to the United States from Alberta, for example, grew at an average annual compound growth rate of 27 per cent, as did those from Ontario. Valued added wood exports from Quebec grew at 29 per cent.

Smaller Shares of Most Canadian Pulp and Paper Exports

Solid wood products account for just over half (51 per cent) per cent of all Canadian forestry exports. The rest are pulp and paper commodities.

International market destinations for pulp and paper commodities are more diverse than for solid wood products, with smaller proportions of total exports destined for the United States and Japan. Forty-three per cent of British Columbia pulp and paper exports were shipped to destinations other than the United States or Japan in 1999, compared to only 5 per cent of solid wood product exports.

British Columbia pulp and paper exports to all markets grew at an average annual compound rate of only 2 per cent, during the 1990s – slow by comparison with most other provinces. The growth rate for Canada as a whole was 5 per cent. Rates for other important pulp producing provinces ranged from 16 per cent for Alberta, 8 per cent for Saskatchewan and Manitoba, to 2 per cent for New Brunswick and Nova Scotia.

Fortunately the pulp and paper product categories in which British Columbia exports have experienced the slowest growth have been those with the least value added content.

The province's pulp exports grew at an average annual compound rate of 1 per cent over the 1990s, and its newsprint exports actually shrank 4 per cent. However, British Columbia exports of refined paper products grew at 13 per cent – faster than the 11 per cent average for Canada as a whole.

This produced some shifting in the British Columbia shares of Canadian pulp and paper commodity exports. For example, the province's share of Canadian pulp exports fell from 50 per cent to 44 per cent between 1990 and 1999, and its share of Canadian newsprint exports fell from 18 per cent to 12 per cent. But, over the same period, the provincial share of Canadian refined paper exports increased from 17 per cent to 20 per cent.

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Infoline

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fax transmission information service from **BC STATS**

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BC at a glance . . .

POPULATION (thousands)	Jan 1/00	% change on one year ago
BC	4,043.7	0.9
Canada	30,606.7	0.9
GDP and INCOME		% change on
(BC - at market prices)	1998	one year ago
Gross Domestic Product (GDP) *($ millions)*	110,948	-0.2
GDP *($ 1992 millions)*	99,708	0.2
GDP *($ 1992 per Capita)*	24,908	-0.8
Personal Disposable Income *($ 1992 per Capita)*	15,969	-1.6
TRADE ($ millions)		
Manufacturing Shipments (seas. adj.) May	3,275	8.7
Merchandise Exports (raw) May	2,723	14.6
Retail Sales (seasonally adjusted) May	2,879	4.5
CONSUMER PRICE INDEX		% change on
(all items - 1992=100)	Jun '00	one year ago
BC	113.2	1.5
Canada	113.7	2.9
LABOUR FORCE (thousands)		% change on
(seasonally adjusted)	Jul '00	one year ago
Labour Force - BC	2,077	0.0
Employed - BC	1,929	1.6
Unemployed - BC	148	-16.6
		Jul '99
Unemployment Rate - BC *(percent)*	7.1	8.5
Unemployment Rate - Canada *(percent)*	6.8	7.6
INTEREST RATES (percent)	Aug 9/00	Aug 11/99
Prime Business Rate	7.50	6.25
Conventional Mortgages - 1 year	7.90	7.25
- 5 year	8.25	8.05
US/CANADA EXCHANGE RATE	Aug 9/00	Aug 11/99
(avg. noon spot rate) Cdn $	1.4850	1.4907
US $ *(reciprocal of the closing rate)*	0.6744	0.6724
AVERAGE WEEKLY WAGE RATE		% change on
(industrial aggregate - dollars)	Jul '00	one year ago
BC	635.92	1.6
Canada	613.47	3.1

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bank-banque-canada.ca/english/wfsgen.htm

Released this week by BC STATS

- Labour Force Statistics, July 2000

Next week

- Earnings and Employment Trends, July 2000

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